

The South Carolina Forest Steward

Spring 2004



In This Issue...

In our lead article, demographics on forest ownership show that family forests comprise a major portion of forestland in South Carolina, with significant impacts on the forest economy and on environmental quality throughout the state. With articles that follow we hope to provide landowners with information that will enhance their abilities to productively manage these lands. First up, for those that are late filing tax returns, is an article on tax tips by Larry Bishop with the US Forest Service. Next, Bob Franklin provides two articles, one on managing pines to minimize potential ice damage and the second on the benefits of prescribed burning in the low-country. We also have advice on marketing specialty forest products, a news release on Sudden Oak Death disease, and finally an announcement about the new Lowcountry Forest Conservation Partnership established for protecting important native forests.

Larry Nelson and Bob Franklin, Coeditors

South Carolina's Family Forests: The Future is in Their Hands

*Tim Adams, Resource Development Forester, SC Forestry Commission
and Brett Butler, Research Forester, USDA Forest Service*

Family forest owners control the majority of South Carolina's 12.4 million acres of forestland according to the recently completed National Woodland Owner Survey for South Carolina. Completed jointly by the USDA – Forest Service and the South Carolina Forestry Commission, this



Photo courtesy of ForestryImages.org

survey updates earlier surveys completed in 1978 and 1994. The goal of this survey is to document trends in land ownership patterns and identify owners' management goals and objectives. A total of 357,400 family forest owners control

7.1 million acres (57%) of forestland in South Carolina. Therefore the fate of much of the State's forest resources depends upon what this diverse group of landowners does with their land. In particular, the needs, desires, and limitations of the 144,900 family forest owners who each own between 10 and 5,000 acres and collectively control 6.6 million acres must be fully considered when assessing the forest resource.

There is diversity among forest landowners in terms of both race and gender. By gender, 75% of the family forests are managed by males and 25% are managed by females with an average size ownership of 50 and 35 acres, respectively. Owners were divided among six different categories of race or ethnicity with African-American (4.5%) and Native American (2%) being the predominant minority owners. Minority owners control 3% of family forestland in South Carolina.

Heritage plays a key role in explaining how family forest owners feel about their land. In fact, family legacy was the primary reason given for owning forestland. Landowners' number one planned activity within the next five years is to transfer land to their heirs. Family forest owners are mature (72%

are 55 or older) and most (77%) have held their land for over 10 years. Sixty-nine percent of family forest owners have a primary or secondary residence on the property.

Many family forest owners are active managers of their land. Eighty percent of the family forestland is owned by people who have harvested trees on their land and 33% of these owners have conducted harvests within the past five years. Private recreation, fire hazard reduction, and road/trail maintenance were all common activities. While only 8% of family forest owners have a written management plan, 28% have sought land management advice. Over the past five years, South Carolina Forestry Commission foresters and private forestry consultants were relied upon for advice by 12% and 10% of family forest landowners, respectively. Clemson Extension, industrial foresters, federal agencies, and loggers were each sought for advice by 5% of landowners.

The future of family forestland is critical to the health of South Carolina's environment and the forest products industry. Well-managed forests have been shown to provide the cleanest water for downstream users. Also, the predominance of family forests makes them critical to the long-term viability of the forest products industry. Strong ties to the land help make South Carolina's family forests stable. However, the age of many family forest owners indicates significant acreage may change ownership in the near future. Legal and financial hurdles must be identified and resolved before this transfer of land occurs. Likewise, healthy markets for timber and non-timber products are essential for family forestlands to remain productive in the future. ♣

Tax Tips for Forest Landowners for the 2003 Tax Year

*Larry M. Bishop, Forest Management and Taxation Specialist
USDA Forest Service – Southern Region*

Here is some information to keep in mind when you prepare your Federal income tax return for the 2003 tax year. This discussion is necessarily brief, and you should consult other sources for a more

comprehensive treatment of the issues. This information is current as of December 1, 2003, and supersedes Management Bulletin R8-MB 101.

Basis and Tax Records

Part of the price you receive from a timber sale is taxable income, but part is also your investment (i.e., basis) in the timber sold. Allocate your total costs of acquiring purchased forestland – or the value of inherited forestland – among land, timber, and other capital accounts as soon as possible. Adjust this basis up for new purchases or investments and down for sales or other disposals. When you sell your timber, you can take a depletion deduction equal to $(\text{Adjusted basis} \div \text{Total timber volume just before the sale}) \times (\text{Timber volume sold})$. Good records include a written management plan and a map of your forestland. Keep records that support current deductions 6 years beyond the date the return is due. Keep records that support your basis 6 years beyond your period of ownership. Report basis and timber depletion on IRS Form T (Timber), Part II.

Passive Loss Rules

The passive loss rules are too complex to cover in detail here, but what follows is a very brief summary. Under the passive loss rules, you can be classified in one of three categories: (1) investor, (2) passive participant in a trade or business, or (3) active participant (materially participating) in a trade or business.

The law's intent is that you are "materially participating" if your involvement is regular, continuous, and substantial; however, a low level of activity is adequate if that level is all that is required to sustain the trade or business. This means that record keeping is very important! To show material participation, landowners will need to keep records of all business transactions related to managing their timber stands. Likewise, it would be a good idea to keep records of other business-related activities such as landowner meetings attended, odometer readings to and from meetings, cancelled checks for registration fees, and copies of meeting agendas. Generally, you will get the best tax advantage if you are "materially participating" in a timber business

because all management expenses, property taxes, and interest on indebtedness are fully deductible against income from any source. However, if you are “materially participating,” you must dispose of your timber under the provisions of Section 631 to qualify for capital gains. (This means that you must sell your timber on a “pay-as-cut” or “cut and convert” basis, rather than lump sum.)

Reforestation Tax Credit and Amortization

The reforestation tax credit and 7-year amortization is one of the best tax advantages for forest landowners. If you reforested during 2003, you can claim a 10 percent investment tax credit for the first \$10,000 you spent for reforestation during the tax year. In addition, you can amortize (deduct) up to \$10,000 of your 2003 reforestation costs, minus half the tax credit taken, over 8 tax years.

Here’s how it works. Assume you spent \$4,000 to reforest a cutover tract in 2003. You claim a \$400 tax credit (10 percent of \$4,000) for 2003. You can also deduct 95 percent of these reforestation costs over the next 8 tax years. Due to a half-year convention you can only claim one-half of the annual amortizable portion for 2003. This means that on your 2003 tax return you can deduct one-half of $(0.95 \times \$4,000 \div 7)$ or \$271. For the next 6 tax years you can deduct $(0.95 \times \$4,000 \div 7)$ or \$543, and the remaining \$271 can be deducted the 8th tax year.

Elect to take the reforestation tax credit on Form 3468 and transfer it to Form 1040. Elect to amortize reforestation expenses on Form 4562. **This election to must be made on a timely-filed return for the year in which you incur the expenses.** If you qualify as an investor, take the deduction on line 33 of Form 1040 – the adjustments to total income line for 2003. Write “RFST” and the amount. If you are a sole proprietor and treat your forest holding as a business, take the deduction on the “Other expenses” line on the front of Form 1040, Schedule C. If you are a farmer, take the deduction on the “Other expenses” line of Schedule F, Form 1040.

Any reforestation costs exceeding the \$10,000 annual limit should be capitalized (entered into your

timber account). You can recover (deduct) these costs when you sell your timber.

A final word of caution: the tax credit and 7-year amortization deductions are subject to recapture if you dispose of your trees within 5 years of planting for the credit and within 10 years of planting for the amortization.

Capital Gains and Self-employment Taxes

If you report your timber sale income as ordinary income, you could pay significantly more in taxes than you would if you report it as a capital gain. Also, capital gains are not subject to the self-employment tax, as is ordinary income. The net self-employment tax rate for 2003 is 15.3 percent for self-employment income of \$400 or more. The rate consists of a 12.4 percent component for old age, survivors, and disability insurance (OASDI) and a 2.9 percent component for hospital insurance (Medicare). The maximum income subject to the OASDI component of the tax rate is \$87,000, while the Medicare component is unlimited. However, if wages subject to Social Security or Railroad Retirement tax are received during the tax year, the maximum is reduced by the amount of wages on which these taxes were paid. To qualify for long-term capital gains treatment, timber sold after December 31, 1997, must have been held longer than 12 months. There are two maximum long-term capital gains rates for 2003: 15% for timber sold **after May 6, 2003**, and 20% for timber sold earlier. (For taxpayers in the 10% or 15% ordinary income tax brackets, the long-term capital gains rates are 5% for timber sold **after May 6, 2003**, and 10% for timber sold earlier.)

Cost-share Payments

If you received cost-share assistance under one or more of the Federal or State cost-share programs during 2003 you may have to report some or all of it as ordinary income. You have two options. You have the option to include it as income and then recover the part that you pay plus the cost-share payment through the amortization and reforestation tax credit already described. You also have the option to exclude the “excludable portion” from income if certain conditions are met. These

conditions are (1) the cost-share program has to be approved for exclusion by the IRS and (2) the maximum amount excludable per acre is the greater of (a) the present value of \$2.50 per acre or (b) the present value of 10 percent of the average income per acre for the past 3 tax years. This second requirement gets rather complicated because you have to determine an appropriate interest rate to compute the present values. Programs approved for exclusion by the IRS include the Forestry Incentives Program (FIP), the Forest Stewardship Incentive Program (SIP), the Wetlands Reserve Program (WRP), the Environmental Quality Incentives Program (EQIP), and the Wildlife Habitat Incentives Program (WHIP), plus several State programs (check with your State Forestry Agency for approved programs in your State).

If you harvested the tract within the last 3 years, it is likely that the full amount of the qualifying cost-shares will be excludable. You will have to determine whether it benefits you more to exclude or include qualifying cost-share payments in your income. Some taxpayers benefit more by excluding the payments; others by including them and making full use of the reforestation tax credit and amortization. Either way, you must report all cost-share payments that you receive. If you decide to exclude them, attach a statement to your return stating specifically what cost-share payments you received, that you choose to exclude some or all of them, and how you determined the excludable amount.

Conservation Reserve Program

If you planted trees during 2003 under the Conservation Reserve Program (CRP), you must report your **annual payment** as ordinary income. During 2003, the IRS revised its position on CRP **cost-share payments**. These payments are now excludable. To determine the “excludable portion” of your CRP cost-share payment, follow the procedures discussed above.

Farmers may treat expenditures for soil and water conservation on farmland as expenses in the year incurred, rather than capitalizing them (CRP expenditures qualify). However, the amount

deductible in any year shall not exceed 25 percent of the gross income from farming.

Casualty Losses

A casualty loss must result from some event that is (1) identifiable, (2) damaging to property, and (3) sudden and unexpected or unusual in nature. Examples include wildfire and storms. **Generally, your claim for casualty losses can be no more than the adjusted basis minus any insurance or other compensation.** A 1999 Revenue Ruling identified the depletion block – the unit you use to keep track of the adjusted basis of the affected timber – as the appropriate measure of the “single identifiable property damaged or destroyed” in calculating a casualty loss deduction.

The IRS has issued Revenue Rulings on southern pine beetle losses in timber stands, drought losses of planted seedlings, and casualty loss deductions. It ruled that beetle and drought losses generally do not qualify for a casualty loss deduction because they are not sudden. They may, however, qualify for a business- or investment-loss deduction.

Management and Maintenance Expenses

Generally, your annual expenses for the management and maintenance of an existing stand of timber can be expensed or capitalized. In most cases, you are better off to expense those costs during the tax year they are incurred, rather than capitalizing them. If it is not to your advantage to itemize deductions for 2003, you should capitalize these expenses. If you choose to itemize deductions, you can deduct these expenses, but the passive loss rules apply. You may not, however, capitalize carrying charges in any year your property is productive. Forest land is productive in any year in which income is produced from its use (such as from hunting leases).

Conclusion

Congress provided these favorable tax advantages to stimulate increased productivity from the nation’s privately owned forestlands. When you take advantage of these favorable provisions you avoid paying unnecessary income taxes, and you earn more income from your woodland operations.

Reference

Haney, H. L., Jr.; Hoover, W. L.; Siegel, W. C.; and Greene, John L. 2001. Forest Landowners Guide to the Federal Income Tax. Agric. Handb. 718. Washington, DC: U.S., Department of Agriculture. 157 pp.

To order the handbook, call the U.S. Government Printing Office at (202) 512-1800 (not a toll-free number). This handbook costs \$21 (subject to change); its GPO stock number is 001-000-04693-4.

Tax Information on the Internet

- USDA Forest Service publications are available at: www.fs.fed.us/spf/coop
- IRS publications and forms are available at: www.irs.gov
- National Timber Tax Site is located at: www.timbertax.org ▲

Late January Ice Storm

Hammers South Carolina Forests

Robert M. Franklin, Area Extension Agent, Clemson Extension

A late January winter storm hammered forests in 15 South Carolina Counties. Stretching from Greenwood and McCormick Counties all the way to Horry County, this storm impacted primarily the midlands of the state with an estimated value of more than \$95.8 million dollars of damaged timber. According to the South Carolina Forestry Commission, the worst damage appeared in pine

stands that had been recently thinned where main stem breakage was common. Andy Boone, Insect and Disease Forester with the Forestry Commission expects to see Ips and Black Turpentine Beetle infestation of standing pine timber with three limbs or less remaining in the top. Southern Pine Beetles are not expected to be a problem in the ice damaged area, however the Forestry Commission will monitor the situation in the area of damaged timber. Annosus root disease may become a problem on high-risk sites for the disease that are sanitation thinned to recover damaged wood. Pine stands with ice damage that are already infected with the disease should be clearcut, rather than thinned. Pales weevil may be a problem on pine seedlings planted on damaged sites that were immediately clearcut after the storm. In a situation where you have to clearcut, it will be better to replant pine seedlings next planting season. Also, Pales weevils may attack and kill one and two-year old seedlings growing adjacent to impacted stands.

If you've suffered ice damage, you may ask, "What can I do?" First, the damage isn't usually as bad as it first appears after the storm. Look at your pine stands and salvage as soon as possible: 1) trees that are root-sprung, uprooted or have tops broken out; 2) trees leaning more than 40 degrees and larger than 10 inches DBH; 3) trees that are leaning and rubbing against others. If more than forty percent of the pine stand is in the condition described above, it is better to clearcut and start over.



Photo courtesy of ForestryImages.org

You may ask, "What can I do to reduce ice damage in the future?" The answer is to manage your pine stand in such a way as to reduce the damage potential by developing trees with balanced tree crowns and a strong, tapered bole. Do this by planting at wider spacings, such as 8x10 or 9x10 (545 and 484 trees per acre) or wider; control competing vegetation at an early age; during the first two thinnings, thin back to a residual basal area of 60 square

feet per acre, leaving the largest, best quality trees; subsequent thinnings can be made to a residual basal area of 70 square feet per acre; begin prescribed burning before each thinning. Finally, if you are in an area with frequent ice storms, more than one every ten years, you may be better off growing trees on a pulpwood rotation without thinning.

If you have additional questions or concerns about ice damaged timber, contact your local Clemson Extension office, South Carolina Forestry Commission forester, or seek the advice of a Registered Forester. ♣

Fire in the Lowcountry: Prescribed Fire Good for Forests

Robert M. Franklin, Area Extension Agent, Clemson Extension

The smell of wood smoke scents the air throughout the Lowcountry this time of the year. Many landowners are practicing the science and art of prescribed burning in their pine forests. Prescribed burning is defined as: *The controlled application of fire to wildland fuels in either a natural or modified state, under specific environmental conditions in a specific area that allows for desired management objectives to be met.*

Prescribed fire is used most commonly for:

- reducing accumulations of hazardous fuels,
- managing competing vegetation,

- disposing of logging debris,
- improving wildlife habitat,
- improving forage for grazing,
- enhancing appearance of woodlands,
- improving access,
- perpetuating fire dependent species, and
- controlling insects and diseases.

Periodic, naturally-occurring fires set by lightning were once common throughout the South. When Native Americans entered the southeast 12,000 or more years ago, they began burning off the woods to drive game, clear land for agriculture and to open up the woods around their villages. These fires resulted in the dominance of the longleaf pine ecosystem on over 65 million acres of land on the coastal plain in the South. When Europeans arrived, they quickly adapted the Native American practice of burning the woods, primarily to clear land and to improve forage for their livestock. Years later, when the profession of forestry began, fires were thought to be harmful to the reestablishment of forests, so all burning was discouraged. Today we know better, but not before years of fire suppression helped cause a decline of the longleaf pine ecosystem to less than 3 million acres.

Many landowners are using fire in pine forests in an attempt to recreate that pine-grassland habitat that was once so common. In using fire, they have learned that it is one of the most cost-effective methods of controlling the invasion of hardwood

brush into pine forests. Regular use of prescribed fire is also one of the least expensive methods of manipulating wildlife habitat. In fact, regular use of prescribed fire for both of the above-mentioned objectives can also have the benefit of reducing fuels that can feed a wildfire, improve aesthetics and perpetuate fire-dependent species ranging from bobwhite quail to pitcher plants.

In spite of all the benefits of prescribed fire in forestry and wildlife management, care has to be



Photo courtesy of ForestryImages.org

taken in its application. It's not so much the fire as it is the smoke. Prescribed fire set under the wrong climatic conditions can produce smoke in the wrong places — on a busy highway, residential area or near a hospital. All of which can have tragic consequences.

All landowners and managers who use prescribed fire should take seriously the responsibility of being a wise steward of the practice. Follow smoke management guidelines and stay on top of the latest developments in the field of prescribed fire. If you are a user of prescribed fire, make plans to become a Certified Prescribed Fire Manager by taking the course taught by the South Carolina Forestry Commission. In addition, join the South Carolina Prescribed Fire Council, a group that just recently organized to promote the wise use of prescribed burning in the state.

If you'd like to learn more about the practice of prescribed burning, the South Carolina Certified Prescribed Fire Manager course and the South Carolina Prescribed Fire Council, contact your local office of the South Carolina Forestry Commission or the Clemson Extension Service. ♣

Specialty Forest Products – It's All in the Marketing

A National Arbor Day Foundation fact sheet on marketing specialty forest products begins, “No one has ever made any money growing specialty forest products. They make money selling them.” I guess the same principle applies to trees and crops for that matter, but specialty forest product (SFP) markets are “niche” markets – they require producers to spend a lot more time and energy finding them than do timber or traditional commodity crops. However, since most SFPs are not suitable for large-scale production there are very few large producers that can control the markets, giving the advantage to new, smaller producers.

What are specialty products? They fall into four general categories:



Photo courtesy of ForestryImages.org

1. medicinals and botanicals (catnip, ginseng, ginkgo, echinacea, St. John's wort, palmetto berries, camphor)
2. forest-based food products (berries, wine, pecans, black walnuts, mushrooms, honey, plums)
3. decorative plants (ferns, flowers, orchids, bromeliads, Spanish moss, palmetto fronds)
4. handicraft products and specialty woods (sweetgrass or pinestraw baskets, cypress, hardwoods, rusty lyonia, grape vine, wax myrtle)

Marketing strategies for SFPs:

Know your customers. Who, if anyone, wants your products? This can be learned from talking to people in person, distributing surveys or questionnaires, or by visiting places where similar products are sold. Up-front market research is critical.

Identify your marketing options. Will you market directly to customers through farmers' markets, fairs, roadside stands, etc.; market to retailers; market bulk quantities to wholesalers; or market through distributors? The type of marketing you do will depend largely on what product you are selling. For example, jelly, juice and wine producers often establish written contracts with a limited number of growers to provide a portion of fruit for their processing facilities. A specialty craft like straw or sweetgrass baskets might be more appropriately marketed at the roadside, fair or farmers' market.

Value-added processing usually leads to better prices than just selling the basic natural product.

Niche products sold through multiple markets can give you an advantage. You might want to focus on producing a product that can be used and marketed for different purposes. For example, nuts can be marketed as crushed nuts, as a spread or confection, or pressed for oil.

Secure markets before production begins. Line up buyers ahead of time if possible and work closely with customers to make sure your product meets their needs. This will allow you to set higher prices.

Think small at first. Starting small will allow you to test markets, focus on quality and attend to your customers. As with any venture, keep good records and develop a plan.

Set prices carefully. If marketing through retail or wholesale buyers, ask how much they pay for particular products, paying close attention to quality characteristics that affect price. Quality is likely where you can best compete. Calculate your labor and overhead costs before setting your price. If done correctly, direct marketing can allow small producers to set the highest prices and profit margins for their niche products. Some tips for successful direct marketing:

- Introduce your product to customers by offering samples.
- Display your products for maximum impact.
- Price all products and include a hang tag that describes the product.
- Stand at your display, don't sit.
- Have a clipboard to write orders.
- If you are also marketing through retail, charge the same price charged in the store or you will risk alienating your retailers. Provide a list of stores that carry your product(s).

To receive "Marketing Specialty Forest Products" or other National Arbor Day Foundation publications, write to The National Arbor Day Foundation, 211 N. 12th Street, Lincoln, NE 68508.



Sudden Oak Death

Compiled from news releases written by Tracy Outlaw, Clemson Regulatory Services and Steve Jeffers, Department of Entomology and Plant Sciences

Many of you have heard about the relatively new disease called Sudden Oak Death [SOD] that has devastated coastal forests in California and southern Oregon. This fungal disease is caused by a new species of *Phytophthora* named *Phytophthora ramorum*. *P. ramorum* also causes blight and dieback on numerous nursery crops in Europe – where it was first recognized and described. Areas where *P. ramorum* occurs in the USA are under strict quarantine and scrutiny by APHIS (Animal and Plant Health Inspection Service) and state regulatory agencies.

The real threat from *P. ramorum* comes not from its damage to the nursery industry but its potential spread into and devastation of forests in the southeastern USA – which contain a high proportion of oaks and other plants susceptible to *P. ramorum*. Recent news about spread of *P. ramorum* on nursery stock from California suggests an increased risk of moving this pathogen into our eastern forests.

Last summer, *P. ramorum* was introduced into several nurseries in Washington and British Columbia – which are outside of the quarantine area – from plants produced inside quarantine areas. However, these infestations were contained – or so we thought. Last week at a meeting of the California Oak Mortality Task Force in Sonoma, CA, it was announced that *P. ramorum* had been found at Monrovia Nursery in Azusa, CA – which is quite removed from the quarantine areas in California. Not only that, but it was found on camellia, which is not a typical host plant, *and infected plants may have been sent all over the country!*

It must be stressed that as of today only the above nursery has cultured positive for *P. ramorum*. The disease appears to be present in at least two different species; camellia and viburnum. The nursery is a 500-acre facility that specializes in Camellias, and has seven other satellite nurseries throughout the United States. It ships millions of



Photo courtesy of ForestryImages.org

plants every year all over the U.S. Under the current protocol agreed to between APHIS and the affected states, all the plants linked to SOD in the nursery will be destroyed.

There are no regulatory treatments that are effective for treating plants against this disease. Based on technical information provided by APHIS-PPQ (Plant Protection and Quarantine), Center for Plant Health, Science and Technology, the disease can be controlled in a nursery environment through the application of fungicidal sprays, but there is no control once nursery stock are placed into the environment. Quarantine and containment is the most viable approach for preventing spread of the disease.

In 2003, The Department of Plant Industry (DPI), located in Clemson, South Carolina, participated in an APHIS-sponsored survey for *P. ramorum* in nurseries in five Southeastern states [GA, SC, TN, NC, VA]. In the SC survey, DPI specifically targeted retail and resale nurseries that received west-coast plants. Many of the plants tested were from Monrovia Nurseries. So far, *P. ramorum* has not been found.

More recently (March 15), DPI received word about certain plant shipments coming from California to South Carolina that were possibly infected with Sudden Oak Death.

“We got word that the USDA was ordering the plants held, and they requested our help in visiting the receiving nurseries,” said Ken Glenn, Assistant Department Head for DPI. “I asked our DPI staff to begin making the nursery visits immediately and place a Stop Sale on the target plants that were received from California nurseries.”

A Stop Sale means that no affected material or items can be sold by any vendor anywhere in the state of South Carolina.

Any plants suspected to be infected with Sudden Oak Death will be held until USDA determines its next course of action.

“We are cooperating with PPQ and other states to determine the best course of action to protect South Carolina and other states from this pest,” commented Glenn. 🌱

Lowcountry Forest Conservation Partnership Launches Major Initiative with Doris Duke Charitable Foundation

Seven groups focused on restoring and protecting native forests and their associated habitats in coastal South Carolina have received a \$4 million grant from the Doris Duke Charitable Foundation.

(Charleston, SC) – An alliance of conservation organizations has joined with Clemson University and the Joseph W. Jones Ecological Research Center to form the Lowcountry Forest Conservation Partnership, a strategic alliance that will work to protect biological diversity across 2.9 million acres of coastal forest in the South Carolina Lowcountry. Selected as the seventh focus site in the Doris Duke Charitable Foundation’s \$56 million national Protecting Places Conservation Initiative, the South Carolina Partnership will receive the \$4 million grant over the course of three years. The seven partner organizations are Clemson University, The Conservation Fund, Ducks Unlimited, Inc., the South Carolina Coastal Conservation League, the Joseph W. Jones Ecological Research Center, the Lowcountry Open Land Trust and The Nature Conservancy.

The Partnership was awarded the grant after a competitive process in which letters of intent were accepted from groups in nine ecologically important regions in the United States. An advisory panel of distinguished conservation scientists and practitioners narrowed the group from 27 applicants to four, who were invited to submit full proposals. The partnership was selected out of the four finalists.

The bulk of the grant, \$2.3 million, will be used to establish a revolving fund to protect the most ecologically significant land, with a goal of preserving at least 60,000 acres. The remaining funds will provide operational support to the partner organizations for activities in five strategic areas that address biological diversity:

- land protection
- conservation forestry
- urban sprawl
- prescribed fire
- river hydrology restoration

The partners will tackle the different strategies, which will include protecting critical core sites, promoting urban development patterns that minimize forest fragmentation, implementing ecologically compatible forestry practices on private lands, and restoring and maintaining two key ecological processes – fire and hydrology.

“It gives me great pleasure to announce that the Doris Duke Charitable Foundation is funding the Lowcountry Forest Conservation Partnership to sustain biological diversity in the coastal forests of South Carolina,” said Joan E. Spero, president of the Doris Duke Charitable Foundation. “The partnership provides unique and varied strategies

Quick-Reference List of Natural Resource Websites

Clemson Extension Forestry	www.clemson.edu/extfor
Clemson Extension Wildlife	www.clemson.edu
Southern Region Extension Forestry	www.soforext.net
Forestry Index.Net	www.forestryindex.net
Private Forest Management Team	www.pfmt.org
South Carolina Department of Natural Resources	http://water.dnr.state.sc.us/
South Carolina Forestry Commission	www.state.sc.us/forest
USDA Natural Resources Conservation Service-SC	www.sc.nrcs.usda.gov
USDA Farm Service Agency-SC	www.fsa.usda.gov/sc
Society of American Foresters	www.safnet.org
The Wildlife Society	www.wildlife.org
National Agroforestry Center	www.unl.edu/nac
South Carolina Forestry Association	www.scforestry.org
Tree Farm Program	www.treefarmssystem.org
South Carolina Wildlife Federation	www.scwf.org
Forest Landowners Association	www.forestland.org
Quality Deer Management Association	www.qdma.com
National Wild Turkey Federation	www.nwtf.org
Quail Unlimited	www.qu.org
Ducks Unlimited	www.ducks.org
South Carolina Waterfowl Association	www.scwa.org

for the people of the region to protect their most precious natural resources.”

Mark Robertson, executive director of the South Carolina Chapter of The Nature Conservancy, said, “We are incredibly pleased to have an organization such as the Doris Duke Charitable Foundation recognize the need for protecting the fragile ecosystems of the Lowcountry and support this innovative partnership in its conservation efforts. “Due to the high ecological value of our coastal forest ecosystems and the severity of the threats to them, these conservation partners rallied around a common goal of protecting the biodiversity of the region. Each partner brings a unique perspective and role to the effort. We made a compelling case for protecting this natural resource. The Doris Duke Charitable Foundation agreed and chose to generously support this endeavor.”

The mission of the Doris Duke Charitable Foundation is to improve the quality of peoples’ lives by nurturing the arts, protecting and restoring the environment, seeking cures for diseases, and helping protect children from abuse and neglect. ♣

Forestry and Forest Products Contributions

-  Forestry, logging, and wood products manufacturing contributes \$14 billion annually to the economy in South Carolina. (USDA Forest Service, SRS, IMPLAN)
-  Ranks 3rd among manufacturing in terms of value of shipments and value added (\$6.9 billion total value of shipments - 2001 U.S. Census Bureau)
-  More than 145,000 owners of family forest land own 53% of South Carolina forests^a (Ownership > 10 acres, 2003)
-  Ranks 3rd among manufacturing in terms of total employment and annual payroll^b (2001)
-  Large capital investments of \$340 million/year between 1997-2001 (U.S. Census Bureau).
-  Employment = 27,546^b (2002) a decline of 17.3% since 1998
-  Payroll = \$1.157 billion and average wage = \$42,000^b (2002)
-  Planted an average of 146,500 acres/year during the 1990s^c (\approx 91 million seedlings/year)
-  Forestry is the state's most valued delivered agricultural crop \approx \$835 million^d (2001)

Sources: a - USDA Forest Service, National Woodland Owner Survey; SC Forestry Commission
 b - SC Employment Security Commission (2001)
 c - SC Forestry Commission
 d - Clemson Extension Forestry and Natural Resources

Upcoming Events

April 13	Greenville Forestry & Wildlife Society Meeting
April 22	Hampton County Forest Landowners and Wildlife Management Association Meeting
April 22	SC Forestry Association Land Use Planning Workshop
May 3	McCormick County Forestry Association - Fish Fry & Program on important financial topics for landowners. Plum Branch Saddle Club at 7:00 pm. Contact Wallace Wood at (864) 765-2112 or wwd@clemson.edu .
May 10	Greenwood County Forestry Association Wildlife Management Tour. Time and place TBA. Contact Wallace Wood at (864) 765-2112 or wwd@clemson.edu .
May 11	Newberry County Forestry Association Meeting
May 15	Lexington County Forestry Association
May 24	Edgefield County Forestry Association. Meal and program on Surveying and Boundary Lines at Aiken Electric Cooperative. 7:00 pm. Contact Wallace Wood at (864) 765-2112 or wwd@clemson.edu .
June 3	Abbeville County Forest Landowners Association - Fish Fry and Summer Wildlife Food Plots Demonstration and Tour. Abbeville County Agricultural Building. Time TBA. Contact Wallace Wood at (864) 765-2112 or wwd@clemson.edu .

Extension Forestry & Natural Resources
Clemson University
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*South Carolina's forests
are sustainable and
provide multiple
benefits
for
quality
of life.*

Questions about this newsletter, submissions and requests for subscriptions should be directed to: Editor, *Forest Steward* Newsletter, Clemson University Cooperative Extension Service, Department of Forest Resources, 272 Lehotsky Hall, Box 340317, Clemson, SC 29634-0317. Phone: 864/656-2479.

The Forest Steward

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The South Carolina Forest Steward Newsletter is sponsored by the Forest Stewardship Program in South Carolina. For more information on the Forest Stewardship Program, contact Ron Ferguson at the South Carolina Forestry Commission, 803/896-8846. The South Carolina Forest Steward is compiled and edited by Larry Nelson, Extension Forester at Clemson University, and Bob Franklin, Area Forestry & Wildlife Agent, Walterboro, South Carolina.

